

Date: November 26, 2002

To: Chairman Getman and Commissioners Downey, Knox, and Swanson

From: Mark Krausse, Executive Director

## EXECUTIVE DIRECTOR'S REPORT

This is a summary of administrative and division activity since the report sent to you prior to the September Commission meeting.

### A. PERSONNEL/BUDGET

I am pleased to announce the addition of Andy Domek, the Commission's new Executive Fellow. Andy comes from the Sacramento area. He attended Christian Brothers High School, and earned his Bachelor of Arts degree from the University of California, Davis.

Budget reductions required as part of the 2002-03 State Budget meant the discontinuance of the Commission's contract with the CSU, Sacramento Hornet Foundation. Elimination of the student assistants' services meant the departure of Melissa Cody, a student assistant in the Technical Assistance Division, and Roman Porter, a student who assisted Media Director Sigrid Bathen.

In anticipation of a severe 2002-03 budget shortfall, the Department of Finance on Friday, November 22, requested additional immediate reductions in various areas. This was just one day after the Governor called a special session of the Legislature to address the mid-year budget deficit. With the Chairman's approval, I submitted an additional \$60,000 in savings from existing position vacancies that cannot be filled due to the state hiring freeze.

In another budget-related matter, the California Political Attorneys Association has agreed to pay for the cost of dial-in coverage of Commission meetings, at least for the next few months. We extend our appreciation to CPAA for helping continue this useful service in this difficult fiscal climate.

### B. STAFF PROJECTS AND ACTIVITIES

The Enforcement Division spoke to the California Professional Treasurers' Association in November. Division Chief Steve Russo, Chief Investigator Alan Herndon and Senior Investigator Jon Wroten attended the meeting and responded to questions from association members. The division also held its annual "Big Game Day" celebration on Thursday the 20<sup>th</sup>.

The Legal Division held an off-site retreat in September. Methods of meeting workload, improving efficiency, and increasing the division's role in policy making were discussed. In November, Legal Counsel Holly Armstrong attended a forum on issues related to Indian gaming. The forum included panels of local officials who had successfully negotiated with tribal gaming

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interests despite the broad exemptions provided by tribal sovereignty. It also included a presentation by a Nevada Deputy Attorney General who successfully prosecuted Nevada v. Hicks, a landmark case that was decided by the U.S. Supreme Court.

The Public Education Unit has converted the *Bulletin* from a primarily printed and mailed publication to an e-mail and web-based publication. Over 400 subscribers have signed up to date, and more are expected as others learn of the new, electronic format. PEU is also at work on the December edition of the *Bulletin*.

The Technical Assistance Division presented a 700 filers' seminar to the Southern California School Employees Benefits Association and an SEI outreach in Sacramento for the Regional Council of Rural Counties. Division Chief Carla Wardlow and Chairman Getman also participated in the Lobbyist Ethics Training conducted by the Senate and Assembly ethics staff.

### C. CONFLICT OF INTEREST CODES/AMENDMENTS

I approved the following conflict-of-interest code amendments in October and November:

Livermore-Amador Valley Water Management Agency  
State Department of Insurance

### D. FINDINGS OF PROBABLE CAUSE

Pursuant to regulation 18361, I have found evidence in the following cases sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that the following respondents committed or caused a violation of the Political Reform Act. **This finding of probable cause does not constitute a finding that a violation has actually occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding.**

**Riverside County Business & Property Owners Coalition and Daralyn Reed, FPPC 2002/152.** On October 15, 2002, probable cause was found to believe that respondents, a committee that existed primarily to support a group of specific candidates being voted upon in the November 4, 1997 election in the City of Perris, and the committee treasurer: filed an amended statement of organization that inaccurately described the primary activity of the committee, in violation of Government Code § 84102(d) (1 count), or, in the alternative, failed to file an amended statement of organization within ten days of a change in the primary activity of the committee, in violation of Government Code § 84103(a) (1 count); filed an amended statement of organization in the wrong place, in violation of Government Code § 84103(a) (1 count); failed to file pre-election campaign statements, in violation of Government Code §§ 84200.5(c) and 84200.8 (2 counts); filed a semi-annual campaign statement in the wrong place, in violation of Government Code § 84215(e) (1 count); and filed supplemental independent expenditure reports in the wrong

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place, in violation of Government Code § 84203.5(a) (1 count).

### **E. REQUESTS FOR EXTENTION OF COMMITTEE TERMINATION**

Pursuant to regulation 18404.1, campaign committees facing termination by December 31, 2002, who desire an extension of that deadline must submit a request to the Executive Director by December 1, 2002. To date, I have responded to the following requests:

McGrath for Assembly (#980498). Request for extension granted. Candidate's committee has no debt; candidate is awaiting final response from EDD on payroll reports and taxes before terminating committee.

Nakanishi for Senate (#991831). Request for extension granted based on progress made toward debt retirement.

Price, Friends of Mark (972253). Request for extension granted based on progress made toward debt retirement.

Rogers, Neighbors for (951897). Request for extension denied based on failure to make any attempts toward debt retirement. It is also noted that candidate failed to file nine campaign statements until he was prompted to do so by Technical Assistance Division staff in the course of his request for extension.

Sherman, Friends of Brad (#890818). Request for extension granted based on candidate's progress toward debt retirement.

Walker, Friends of Dan (780292). Request for extension granted based on candidate's progress toward debt retirement.